

## Message Text

UNCLASSIFIED

PAGE 01 GEORGE 00784 282000Z

73

ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 COME-00 AID-05 TRSE-00

CIAE-00 INR-07 NSAE-00 /034 W  
----- 094235

R 281900Z MAY 75

FM AMEMBASSY GEORGETOWN  
TO SECSTATE WASHDC 1256

UNCLAS GEORGETOWN 0784

DEPARTMENT PASS EXIM BANK

E.O. 11652: N/A

TAGS: BEXP, GY

SUBJECT: SALE OF U.S. ROAD CONSTRUCTION EQUIPMENT TO GUYANA

REF: GEORGETOWN 360

1. LOCAL AGENT OF CATERPILLAR COMPANY ADVISED EMBASSY THAT EVEN WITH EXIM GUARANTEE, BEST INTEREST RATE OFFERED (IRVING TRUST) TO FINANCE DOLS 3.1 MILLION SALE IS 10.5 PERCENT. WORKING ON ASSUMPTION THAT BANK GUARANTEE WOULD ASSURE COMMERCIAL BANK RATE OF 1 PERCENT ABOVE PRIME, AGENT NEGOTIATED SALE ON BASIS IT WOULD ABSORB SOME OF INTERST RATE TO PROVIDE NET OF 7.0 PERCENT TO PURCHASER (GOG). WITH SUCH WIDE SPREAD, HOWEVER, AGENT WILL REALIZE VIRTUALLY NO RPT NO PROFIT. PROFIT ESSENTIAL THIS SALE IN ORDER TO SUPPORT PRODUCT WHICH WILL BE USED ON MAZARUNI ROAD PROJECT IN INTERIOR. AGENT RELUCTANT TO ABSORB SUCH LARGE SPREAD, AND CERTAINLY WILL NOT RPT NOT OFFER SUCH COMPETITIVE TERMS IN FUTURE WITHOUT EXIM SUPPORT.

2. AS EMBASSY HAS REPORTED EARLIER REFTEL MAZARUNI PROJECT HAS SIGNIFICANT POTENTIAL FOR U.S. EXPORT SALES FOR HEAVY CONSTRUCTION EQUIPMENT. WE STRONGLY RECOMMEND EXIM APPROVE DIRECT LOAN FACILITY FOR THIS SALE AT NO MORE THAN EIGHT PERCENT INTEREST TO ACHIEVE BLANDED RATE OF ABOUT NINE PERCENT. UNDERSTAND CATERPILLAR OFFICIAL (DOUG JACKSON) HAS ALREADY APPROACHED EXIM ON QUESTION OF DIRECT LOAN. UNLESS GOG ITSELF UNWILLING TO GUARANTEE REPAYMENT  
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WE RECOMMEND THAT EXIM PROCEED FORTHWITH TO PROCESS DIRECT LOAN

FACILITY FOR THIS SALE. SUGGEST EXIM CONTACT R.DOUGLAS JACKSON,  
CATERPILLAR MACHINERY CORP; PEORIA (TELEPHONE 309-675-5645).  
KREBS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975GEORGE00784  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750187-0139  
**From:** GEORGETOWN  
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**Line Count:** 64  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
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**Review Date:** 29 JUL 2003  
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**Subject:** SALE OF U.S. ROAD CONSTRUCTION EQUIPMENT TO GUYANA  
**TAGS:** BEXP, GY  
**To:** STATE  
**Type:** TE  
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